Update

MARC

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- **Set – Asides**

  Who's on first???

- **Goals**

  Are we even close???

It is soooo complex and here's why ….

Applicable Laws

- **PL 85-536 – 1958, instituted a <u>voluntary</u> subcontracting plan**
- **PL 95-507 – 1978, instituted a <u>mandatory</u> subcontracting program for contracts valued over $550,000 [amended 2006] or $1 million for construction**
- **PL 98-577 – 1984, provided max opportunity for small and SDB in subsystems, assemblies, components, services for major systems and instituted timely payment provisions**

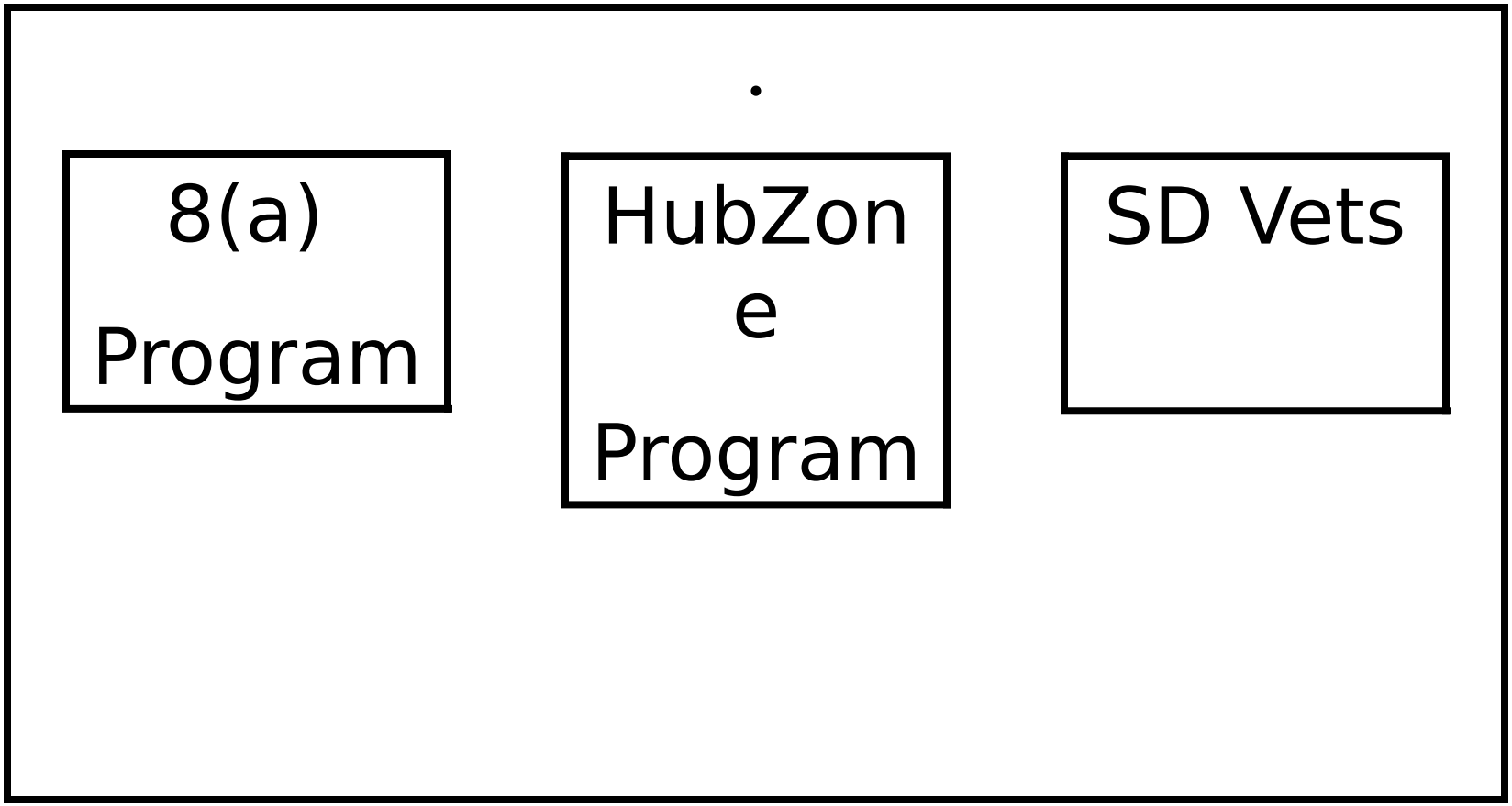
More Regs

- **PL 99-661, 1987, established set-asides and 5% goal for prime and subcontracts**
- **PL 100-180, 1988, called for increase of defense awards to small and SDB's**
- **PL 100-656, 1988,**
  - **established the 8(a) program,**
  - **added the annual goals at 20% for SB and 5% SDB,**
  - **added liquidated damages provision against large primes not meeting plans and goals**
- **PL 101-189, established test program for comprehensive subcontracting plans**

More Regs

- **PL 101-510, 1991, established Mentor-Protégé Program**
- **PL 102-366, 1992, established SBIR and eliminated report to Congress of Unacceptable Sub. Plans**
- **PL 103-355, 1994, established small, SDB and WOB Government wide goals for primes/subs**
- **PL 106-50, 1999, established goal for service-disabled veteran-owned small business of 3%**

Creation of Parity



8(a) Program

- Business Development Program for Socially and Economically Challenged Small Businesses.
- 9-year term - no renewals
- All 8(a) firms are SDBs
- Applicable to sole source and competitive actions
- FAR 19.8

(b) Contracts may be awarded to the SBA for performance by eligible 8(a) firms on either a sole source or competitive basis.

HUBZone Program

- No term limits
- Annual re-certification required
- Principal office must be in a HUBZone
- 35% of employees must live in a HUBZone
- Applicable to purchases over $2,500 – competitive and sole source
- FAR 19.13 – text on next slide

FAR 19.13

- **(a) A participating agency contracting officer shall set aside acquisitions exceeding the simplified acquisition threshold for competition restricted to HUBZone small business concerns when the requirements of paragraph (b) of this section can be satisfied.**

- **(b) (1) Offers will be received from two or more HUBZone small business concerns; and (2) Award will be made at a fair market price.**

SDVet Small Businesses

- **Set-Aside**
  - Buys over $2500
  - “Rule of Two”
  - No upward $ limit
- **Sole Source**
  - Buys over $100,000
  - Only 1 Source
  - Up to $5.5 M (mfg)
  - Up to $3.5 M (non-mfg)

SDVet FAQs

- VA determines Service Disability.
- Business size is self-determined.
- No term limits – no need to apply or reapply.
- Competitive and sole-source program benefits.
- Subcontracting and Prime Contracting goals.
- FAR 19.14

FAR 19.14

- (a) The contracting officer may set-aside acquisitions exceeding the micro-purchase threshold for competition restricted to service-disabled veteran-owned small business concerns when the requirements of paragraph (b) of this section can be satisfied.

- (b) (1) Offers will be received from two or more service-disabled veteran-owned small business concerns; and (2) Award will be made at a fair market price.

GAO Enters the Mix

- Decision in March 2009 that gave preference to HZ
- Confusion abounded
- GAO now back to electing not to disturb set-aside business decisions unless there is material error

Small Business Goals

How Are We Doing?

%	Small Business	8(a)	SDB	HBZ	WO SB	SD Vets
Minimum Goal	23.0	3.0	5.0	3.0	5.0	3.0
Actual	22.18	3.7	6.8	2.1	3.4	.9

Goaling Challenges

- Some agencies are designating specific goals.
- Transition of SBLO and Small Business Specialists is generating the need for lots of training.
- Some agencies/primes are erroneously requiring minimum percentages based on contract value vs. value of projected subcontracting.
- DCAA reorganization now aligns resources by products/services versus geography.

ARRA

Targeted uses include:

- Tax Relief -- $288.8B
- State and Fiscal Relief -- $144B
- Infrastructure and Science -- $111B
- Protection of the Vulnerable -- $81B
- Health Care - $59B
- Education and Training -- $53B
- Energy -- $44B
- Other -- $8B

Funding Type 1

Formula Grants

- Allocated to states based on some factor
- For programs already in place
- Rapid distribution of funds
- But NOT ideal for creating new investments

Funding Type 2

Competitive Grants

- Pool of money for specific uses
- States or other organizations submit/ compete
- Competition targets most effective uses like “green economy”
- Lengthy application process takes time

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